

CITY COUNCIL STUDY SESSION

Draft 2022 State Legislative Agenda

Lacey Jane Wolfe, Assistant Director of Intergovernmental Relations, 452-2055
City Manager's Office

DIRECTION NEEDED FROM COUNCIL

ACTION Staff is seeking Council adoption of the draft 2022 State Legislative Agenda.

RECOMMENDATION

Move to adopt the draft 2022 State Legislative Agenda.

BACKGROUND & ANALYSIS

Each year City Council adopts a State Legislative Agenda, a short list of priority items that will be the focus of the City's efforts in Olympia in the upcoming session. A new document is produced each year for Council approval.

2022 Legislative SessionOverview

The 2022 legislative session begins January 10. This is the second year of the two-year legislative biennium and is scheduled to be a "short" legislative session that will last 60 days. Due to the ongoing COVID-19 pandemic, the session may be held entirely or partly in a virtual format.

Democrats will continue to hold the majority in both the state House of Representatives and the Senate. All members of the House of Representatives and half the members of the Senate will seek re-election in November 2022, utilizing the new boundaries established through the redistricting process currently underway. This political climate will likely curb the advancement of controversial issues. Legislators are cautioning to not expect significant legislative action during this short session.

State Revenue Outlook and Budget Development

During the 2022 session, the Legislature will make amendments to the 2021-23 operating, capital, and transportation budgets that were adopted during the 2021 session by adopting supplemental budgets. The Legislature reserved approximately \$1 billion in federal American Rescue Plan Act (ARPA) funds that must be spent by 2024 – it is likely that the Legislature will discuss how best to allocate these remaining funds. Additionally, state revenue forecasts continue to trend positive. The latest September revenue forecast projects that the state will collect nearly \$1 billion more in both the 2021-2023 and 2023-2025 budget cycles. While this means that the state is not likely to be facing fiscal challenges, as a non-budget year that is focused on the development of supplemental budgets, there are limited funding opportunities for new programs and projects. Any capital budget appropriations will be less than \$500,000 and will focus on emergent/urgent projects or will meet the criteria to be funded through ARPA funds.

Policy Bills

In addition to the introduction of new policy bills, all bills introduced but not approved during the 2021 legislative session will continue to be under consideration in 2022.

Transportation

One of the City's top legislative priorities has been supporting the approval of a state transportation revenue package that includes significant investments in Bellevue. At the end of the 2021 session, there appeared to be significant momentum for a special session later this year to adopt a transportation revenue package prior to January 2022. At the time of this writing, a special session does not seem likely. If a transportation revenue package is not adopted in a special session, it will be a hot topic in the 2022 legislative session.

Separate from the development of a transportation revenue package, the Legislature will be discussing how to complete projects along the I-405/SR 167 Corridor despite the significant decline in toll revenue collections throughout the pandemic. Completing projects along the corridor is a top priority for the City.

Legislative Agenda

The draft agenda (Attachment A) is used to communicate key issues of interest and concern to the City's legislative delegation. The issues proposed for inclusion in the draft are those preliminarily identified by staff as the most important for the City to pursue during the 2022 legislative session or those that are likely to be pursued by others. While the City accomplished many of the items on the 2021 legislative agenda, some of the key priorities are carried over for issues that remain unresolved. In many cases, the proposed policy positions are protective of the City's authority and revenue base.

The City's Draft 2022 Legislative agenda includes policy language reflecting the following priorities:

- Growth, Economic Vitality and Recovering from COVID-19
- Social and Criminal Justice
- Transportation Investments
- Timely Completion of Projects Along the I-405/SR 167 Corridor
- Housing, Affordable Housing, Homelessness and Human Services
- Climate and the Environment
- Preserve Fiscal Sustainability and Local Control

POLICY & FISCAL IMPACTS

The State Legislature addresses a range of policy issues of interest to the City. Council may wish to provide direction to staff regarding specific legislative proposals.

OPTIONS

1. Adopt the draft 2022 State Legislative Agenda.
2. Do not adopt the draft 2022 State Legislative Agenda and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Draft 2022 State Legislative Agenda

- B. Draft 2022 State Legislative Agenda with Tracked Changes
- C. Policy Crosswalk

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N/A